

Feed the Future Country Fact Sheet

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Kenya's Wilmar Flowers Attracts Impact Investment

Impact investment, like all capital investment, seeks a high rate of financial return. It also seeks to make a positive impact. Kenya's Wilmar Flowers offers investors both.

Wilmar is Kenya's largest exporter of smallholder-supplied flowers, currently air-freighting to The Netherlands, the U.K. and the U.S. To meet the growing demand for fresh cut flowers, Wilmar subcontracts with 3,000 smallholder farmers in the Central, Eastern, Rift Valley and Western regions of Kenya. Each grower sells his or her flowers to Wilmar, where they are inspected for quality, graded and bunched for export. Farmers receive payment within seven days based on prevailing market prices.

The African Agriculture Capital Fund recently invested Kshs 48 million (US \$600,000) in Wilmar Flowers. The capital infusion will enable Wilmar to double its flower supply within three years, significantly increasing profitability. To achieve this growth, Wilmar will source flowers from an increased number of smallholder farmers. Investors will share in the profits and share in the impact of reducing chronic hunger and food insecurity by increasing the incomes of thousands of Kenyan farming families.

This model of inclusive agriculture-led growth underpins the U.S. Global Hunger and Food Security Initiative, Feed the Future. USAID has supported Wilmar Flowers through its Kenya Horticulture Competitiveness Program which works at strengthening the cut flower value chain in order to link smallholders to reliable markets.

"USAID's Horticulture program has helped us develop an out grower scheme that can reliably be scaled up," explains Wilmar managing director Wilfred Kamami. "The program has helped us train the farmers we have under contract to supply a variety of flowers that meet the highest phytosanitary and quality standard. USAID facilitated a credit facility through Equity Bank so that our smallholder partners can takes loans to procure improved technologies such as shade nets, drip irrigation systems, soil analysis, improved varieties, and other farm inputs that enable them to supply flowers that meet the markets' demands."

USAID's Horticulture program directly contributed to expanding Kenya's horticulture exports by more than Kshs 4 billion in 2011 (US \$54 million), and an estimated 26 percent, or one billion Kenya shillings (US \$14 million), went directly to small holder farmers.

This story originally appeared on the USAID Mission Kenya website.